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# **Manufactured Home Community Redevelopment Program**

Procedural Manual

04/21/2023

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## **Chapter 1 – Program Purpose and Background**

### **1.01 Minnesota Housing Mission Statement**

Housing is the foundation for success, so we collaborate with individuals, communities and partners to create, preserve and finance housing that is affordable.

### **1.02 Background**

The Minnesota Housing Finance Agency (“Minnesota Housing”) was created in 1971 by the Minnesota Legislature.

The Manufactured Home Community Redevelopment Program is authorized by Minnesota Statutes Section 462A.2035, Subdivision 1b to provide funding for Manufactured Home Park redevelopment.

### **1.03 Program Purpose**

The purpose of this Program is to provide funds to qualifying Grantees in the state of Minnesota, for infrastructure activities and improvements, as described in Minnesota Statutes Section 462A.2035, Subdivision 1b, so long as the manufactured homes are located in an eligible manufactured home community.

### **1.04 Procedural Manual**

This Procedural Manual, including subsequent changes and additions, is a supplement to the Grant Contract executed between the Grantee and Minnesota Housing.

## **Chapter 2 – Partner Responsibilities and Warranties**

### **2.01 Recordkeeping**

Grantees must submit an annual report that includes the name of the park, the park owner's name or business name, the amount of award, the amount of award received to date, and information about project expenditures, including invoices and payment records related to the scope of work. Minnesota Housing reserves the right to ask for additional information.

Grantees must retain files for six years after the expiration of the Grant Contract. Grantees must maintain copies of all books, records, project files, documents, and accounting procedures related to the Grant Contract during the term of the Grant Contract and for a minimum of six years after the termination or expiration of the agreement. These documents are subject to examination by Minnesota Housing, the State of Minnesota, the State Auditor, and the Legislative Auditor.

Minnesota Housing will review disbursement records associated with the Grant. The Grantee must provide a detailed accounting of when funds are received and disbursements made. Minnesota Housing reserves the right to ask for this accounting.

### **2.02 Monitoring**

Monitoring may include a review of financial, organizational and Program activities of the Grantee and/or the Manufactured Home Park owner. Grantees will be notified in writing by Minnesota Housing about the scope of the monitoring prior to any monitoring activity.

Grantees awarded funds are required to comply with all monitoring and reporting requirements for the term of the Grant Contract.

With reasonable written notice to the Grantee, defined as no less than 10 days, Minnesota Housing reserves the right to make site visits, review grantee's records and project files. The Grantee's records and review project files, included but not limited to project scope of work, project invoices, documentation of payments made to third-party entities involved in project activities such as bank statements or cancelled checks, accounting records, inspection reports, engineering reports, licenses, or project completion certificates. Requested documents must be made available within 10 days upon written request in order to conduct compliance monitoring.

Grantee's records and project files must be made available to Minnesota Housing at the Administrator's office during regular business hours or via remote submission, or both, if and as requested by Minnesota Housing. Monitoring and financial reconciliation generally include:

- Physical inspection of projects;
- Verification of Project files including eligibility requirements and documentation requirements;
- Review of expense documentation (e.g. any and all books, records, invoices, and receipts);
- Other program-related documents; and
- Accounting procedures and practices relevant to the Grant Contract and Procedural Manual.

Minnesota Housing may monitor Grantees for compliance with the Declaration during the Affordability Period described in Chapter 9.

### **2.03 Unauthorized Compensation**

The Grantee shall not receive or demand from the builder, remodeler, contractor, supplier, or Borrower any other unauthorized compensation such as:

- Kickbacks;
- Commissions;
- Rebates; or
- Item for value without equivalent compensation.

To reduce the total development cost associated with an eligible property, a Grantee may receive normal business discounts from the seller, builder, remodeler, contractor, or supplier. In these cases, the Grantee must document that the discounts received are considered normal for the market area and do not constitute a kickback, commission, or rebate.

Any discounts that seem to exceed a normal business standard must be documented and disclosed to Minnesota Housing for review. Upon review, Minnesota Housing will apply its sole discretion in determining the nature of the compensation and what remedies, if any, are appropriate.

### **2.04 Electronic Signatures**

Minnesota Housing accepts electronic signatures (eSignatures) on documents executed under the Manufactured Housing Community Redevelopment Program to the extent the use of the eSignature complies with all applicable state and federal electronic signature laws, as well as any counterparty requirements (e.g. Fannie Mae, Federal Housing Administration, US Bank HFA Division).

eSignatures are not acceptable on any document that needs to be recorded with the county.

The use of eSignatures is voluntary. Under no circumstances will the Grantee be required to use electronic signatures.

## **2.05 Grantee Responsibilities**

The Grantee agrees to comply with all applicable federal, state, and local laws including, but not limited to, the following:

- Title VI of the Civil Rights Act of 1964;
- Title VII of the Civil Rights Act of 1968, as amended by the Housing and Community Development Act of 1974;
- Federal Fair Housing Law (Title VIII);
- Minnesota Human Rights Act (Minnesota Statutes Chapter 363A);
- Minnesota Statutes Section 462A.33;
- Minnesota Government Data Practices Act (Minnesota Statutes Chapter 13); and
- Americans with Disabilities Act, 42 U.S.C.A. Section 12101;

## **2.06 Infrastructure Construction Requirements**

Grantees are responsible for complying with all applicable state and local codes and construction requirements. In addition, all items included in the project's scope of work must meet the Manufactured Home Park Requirements outlined by the Minnesota Department of Health. Projects must be completed in a manner that will pass all licensing, zoning and inspection requirements. All inspection reports and completion certifications shall be retained with the project file records.

## **2.07 Federal, State and Local Laws: Prevailing Wage**

Grantees receiving financial assistance from Minnesota Housing under the Program must comply with the requirements of all applicable federal, state and local laws including prevailing wage requirements.

Minn. Stat. 116J.871, subd. 1(b) states that economic development as applied to prevailing wage does not include (1) financial assistance for rehabilitation of existing housing or (2) financial assistance for new housing construction which total financing assistance at a single project site is less than \$100,000.

Minnesota Housing requires Grantees to certify they will comply with all applicable federal, state and local prevailing wage laws.

It is the Grantee's responsibility to determine if prevailing wage laws apply. Failure to determine applicability and/or comply with prevailing wage laws may subject Grantee to criminal liability, civil penalty, and/or termination of participation as set forth below in Section 2.08.



All questions regarding state prevailing wages and compliance requirements should be directed to the Department of Labor and Industry as follows:

Division of Labor Standards and Apprenticeship  
Prevailing Wage State Program Administrator  
443 Lafayette Road N, St. Paul, MN 55155  
651-284-5091 or [dli.prevwage@state.mn.us](mailto:dli.prevwage@state.mn.us)

## **2.08 Termination of Grantee Participation**

Minnesota Housing may terminate the participation of any Grantee under this Procedural Manual at any time and may preclude Grantee's future eligibility for reasons including, but not limited to, nonconformance with:

- This Procedural Manual;
- The Agreement;
- The procedural manuals and agreements of other Minnesota Housing programs;
- The Federal Fair Housing Law;
- Any federal or state laws or acts that protect individuals' rights with regard to obtaining homeownership;
- The Application for funds; and
- Other applicable state and federal laws, rules and regulations.

Minnesota Housing may, at its option, impose remedies other than termination of the Agreement for Grantee nonperformance.

## **Chapter 3 – Fair Housing Policy**

It is the policy of Minnesota Housing to affirmatively further fair housing in all its programs so that individuals of similar income levels have equal access to Minnesota Housing programs, regardless of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, familial status, gender identity or sexual orientation. Minnesota Housing's fair housing policy incorporates the requirements of the Fair Housing Act, Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendment Act of 1988, as well as the Minnesota Human Rights Act. Housing providers are expected to comply with the applicable statutes, regulations, and related policy guidance. Housing providers should make sure that admissions, occupancy, marketing and operating procedures comply with nondiscrimination requirements.

## **Chapter 4 – Fraud, Misuse of Funds, Conflict of Interest, Suspension, and Disclosure and Reporting**

### **4.01 Fraud**

Fraud is any intentionally deceptive action made for personal gain or to damage another.

Any person or entity (including its employees and affiliates) that enters into an agreement with Minnesota Housing and witnesses, discovers evidence of, receives a report from another source, or has other reasonable basis to suspect that fraud or embezzlement has occurred must immediately make a report through one of the ways described in section 4.05.

### **4.02 Misuse of Funds**

A grant agreement is a legal contract between Minnesota Housing and the Grantee. The Grantee promises to use the funds to engage in certain activities or procure certain goods or services while Minnesota Housing agrees to provide funds to the Grantee to pay for those activities, goods or services. Regardless of the Minnesota Housing program or funding source, the Grantee must use Minnesota Housing funds as agreed, and the Grantee must maintain appropriate documentation to prove that funds were used for the intended purpose(s).

A misuse of funds shall be deemed to have occurred when: (1) Minnesota Housing funds are not used as agreed by a Grantee; or (2) A Grantee cannot provide adequate documentation to establish that Minnesota Housing funds were used in accordance with the terms and conditions of the grant agreement.

Any Grantee (including its employees and affiliates) of Minnesota Housing funds that discovers evidence, receives a report from another source, or has other reasonable basis to suspect that a misuse of funds has occurred must immediately make a report through one of the ways described in section 4.05.

### **4.03 Conflict of Interest**

A conflict of interest, actual, potential, or perceived, occurs when a person has an actual or apparent duty or loyalty to more than one organization and the competing duties or loyalties may result in actions which are adverse to one or both parties. A potential or perceived conflict of interest exists even if no unethical, improper or illegal act results from it.

An individual conflict of interest is any situation in which one's judgment, actions or non-action could be interpreted to be influenced by something that would benefit them directly or through indirect gain to a friend, relative, acquaintance or business or organization with which they are involved.

Organizational conflicts of interest occur when:

- A contracting party is unable or potentially unable to render impartial assistance or advice to Minnesota Housing due to competing duties or loyalties;
- A contracting party's objectivity in carrying out the award is or might be otherwise impaired due to competing duties or loyalties; or
- A contracting party has an unfair competitive advantage through being furnished unauthorized proprietary information or source selection information that is not available to all competitors.

Once made aware of a conflict of interest, Minnesota Housing will make a determination before disbursing any further funds or processing an award. Determinations could include:

- Revising the contracting party's responsibilities to mitigate the conflict;
- Allowing the contracting party to create firewalls that mitigate the conflict;
- Asking the contracting party to submit an organizational conflict of interest mitigation plan; or
- Terminating the contracting party's participation.

Any person or entity (including its employees and affiliates) that enters into an agreement with Minnesota Housing must avoid and immediately disclose to Minnesota Housing any and all actual, perceived or potential conflicts of interest through one of the ways described in section 4.05.

A contracting party should review its contract agreement and request for proposals (RFP) material, if applicable, for further requirements.

#### **4.04 Suspension**

By entering into any agreement with Minnesota Housing, a contracting party represents that the contracting party (including its employees or affiliates that will have direct control over the subject of the agreement) has not been suspended from doing business with Minnesota Housing. Refer to Minnesota Housing's website for a list of suspended individuals and organizations.

#### **4.05 Disclosure and Reporting**

Minnesota Housing promotes a "speak-up, see something, say something" culture whereby internal staff, external business partners (e.g., grantees, borrowers) and the general public are encouraged to report instances of fraud, misuse of funds, conflicts of interest, or other concerns without fear of retaliation. You may report wrongdoing or other concerns by contacting:

- Minnesota Housing's Chief Risk Officer
- Any member of Minnesota Housing's [Senior Leadership Team](#)
- [Report Wrongdoing or Concerns \(mnhousing.gov\)](#)

## **Chapter 5 – Household Eligibility**

### **5.01 Household Income Limits**

Minnesota Housing must have adequate assurances that the acquisition, improvement or infrastructure will benefit low- and moderate-income Manufactured Home Park residents, with incomes at or below 115 percent Area Median Income (AMI), based on the greater of state or local AMI.

Funding will be contingent on the agreement that Manufactured Home Park owners will maintain lot rents affordable to households at or below 115 percent AMI during the Affordability Period, as described in Chapter 9.

Minnesota Housing will post the applicable income limits and affordable lot rents annually on its [website](#).

## **Chapter 6 – Grantee Eligibility**

### **6.01 Eligible Grantees**

Eligible Grantees include the following:

- Cooperative Manufactured Home Park owners;
- Government or Tribal Manufactured Home Park owners;
- Housing Redevelopment Authority Manufactured Home Park owners;
- Nonprofit Manufactured Home Park owners; and
- Private (for-profit) Manufactured Home Park owners.

Nonprofit organizations acting as an intermediary on behalf of a Manufactured Home Park owner may submit an application during the Request for Proposals process, however awarded funds are granted to the owner of the Manufactured Home Park.

## Chapter 7 – Eligible Properties

### 7.01 Eligible Parks

Eligible parks must be permanent, year-round parks located in the state of Minnesota that are either:

- Cooperatively Owned;
- Privately Owned; or
- Publicly Owned.

Subdivided parks are eligible with a seasonal resident occupant adjustment. See section 7.03 for more details.

### 7.02 Ineligible Parks

Fully recreational or seasonal parks are ineligible for funding.

### 7.03 Seasonal Resident Occupancy Adjustment

Applicants must provide documentation that the lots are available to year-round residents within the Manufactured Home Park. If a portion of the park is available to seasonal residents, funds will be awarded pro-rata based on the number of year-round resident lots.

Example:

	Project 1	Project 2
Project Cost	\$100,000	\$100,000
Total Number of Lots in Park	25	25
Seasonal Resident Lots	0	5
Year-round Resident Occupancy Adjustment	25	20
Cost per Lot	\$4,000	\$4,000
Total Eligible Program Award	\$100,000	80,000

## **Chapter 8 – Grant Eligibility and Terms**

### **8.01 Eligible Use of Funds**

Eligible use of funds includes:

- Installation or repair of infrastructure improvements including:
  - Water and sewer systems;
  - Electrical systems;
  - Roads and sidewalks;
  - Storm shelters;
  - Park signage or lighting related to safety;
  - Security systems and fences;
  - Engineering design of the project; and
  - Other infrastructure improvements must be approved in writing by Minnesota Housing.
- Acquisition of a Manufactured Home Park.
- Improvements required for acquisition of a Manufactured Home Park.

All infrastructure and improvements must benefit year-round residential manufactured homes within the park.

### **8.02 Ineligible Use of Funds**

Funds cannot be used for improvements of individual manufactured homes. Areas of the Manufactured Home Park that are seasonal or not year-round residential areas are ineligible for funding for infrastructure improvements.

Grant money is not intended to supplement or finance infrastructure improvements that were substantially completed prior to the execution of the Grant Contract.

### **8.03 Eligible Fees**

Funds can be used to pay for project administrative fees up to 10% of the awarded amount, or up to \$30,000, whichever is lower. Administrative fees include third-party fees associated with the project that the Grantee is responsible for paying, such as legal fees, title fees, inspections costs, appraisal fees, or project management fees. The Grantee is responsible for paying all administrative fees over this threshold.



#### **8.04 Funding Type**

Funds are awarded as grants. Any awarded Program funds that are disbursed and not used to pay for the approved eligible uses within the grant timeframe, as determined at the sole discretion of Minnesota Housing and established in the Grant Contract, must be returned to Minnesota Housing immediately upon request. Any awarded Program funds disbursed but unused for eligible expenses must be immediately returned to Minnesota Housing.

#### **8.05 Funding Terms**

Grant Contract terms will be three years. All activities must be completed within the three-year Grant Contract term unless an extension is made on an exception basis in writing by Minnesota Housing.

#### **8.06 Grant Contract**

All Grantees must sign and agree to the terms of the Grant Contract prior to the disbursement of awarded funds.

## **Chapter 9 – Affordability Period and Declaration Requirements**

### **9.01 Declaration**

A Declaration of restricted covenants outlining the Program restrictions, including those outlined in section 9.03, will be placed on the property upon execution of the Grant Contract. Grantees must comply with all terms in the Declaration throughout the Affordability Period. A sample Declaration can be found on the Minnesota Housing [website](#).

### **9.02 Term**

The term of the Declaration is known as the Affordability Period. The length is up to 25 years.

### **9.03 Restrictions**

Restrictions during the Affordability Period include:

- The property will remain in a Manufactured Home Park;
- Manufactured Home Park owners will maintain lot rent affordable to low- or moderate-income households as defined by Minnesota Housing;
- Manufactured Home Park owners will establish and fund an account for replacement reserves for infrastructure and improvement repairs;
- Lot rent increases will be capped at 5 percent annually, or as agreed upon in writing by Minnesota Housing; and
- Any sale or transfer of ownership of the Manufactured Home Park must be approved in writing prior to sale or transfer by Minnesota Housing.

If the applicant is a city, county, or community action program, preference must be given to households at or below 50 percent of the area median income.

## **Chapter 10 – Application Process**

### **10.01 Request for Proposals Process**

Instructions for applying for the RFP are found on Minnesota Housing’s [website](#), including application instructions, documentation checklists, scoring metrics, RFP timeline and how to submit an application.

## Appendix A – Terms

Term	Definition
Affordability Period	The length of time of the Declaration, defined in the Grant Contract, of up to 25 years.
Applicant	The entity applying for funding through the Manufactured Home Community Redevelopment Program.
Declaration	A record filed with the county on the real property upon which the Manufactured Home Park is located that describes the restrictions of the Program.
Grant Contract	A legal contract executed between Minnesota Housing and a Grantee, providing Manufactured Home Community Redevelopment funds to the Grantee in the form of a grant.
Grantee	The entity with which Minnesota Housing has a contractual relationship to receive Manufactured Home Community Redevelopment Program funds, including the entity identified as a “Grantee” in a Grant Contract, and any successors or assigns approved in writing by Minnesota Housing.
Manufactured Home Park	A residential community in which more than one manufactured home is located on a parcel of land under single ownership.
Program	Refers to the Manufactured Home Community Redevelopment Program.
Request for Proposals (RFP)	The process by which Minnesota Housing solicits applications for funding, from eligible Applicants under the Manufactured Home Community Redevelopment Program.